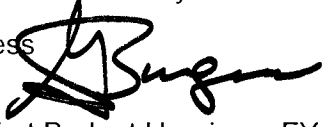


# Memorandum



**Date:** September 7, 2006

**To:** Honorable Chairman Joe A. Martinez  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager 

**Subject:** Information for First Budget Hearing – FY 2006-07 Proposed Budget

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This memorandum serves to transmit the FY 2006-07 Budget Ordinances for your consideration at the first budget hearing on September 7, 2006. This document details all changes from what was included in the FY 2006-07 Proposed Budget and what has been included in these ordinances, as well as making recommendations for other adjustments for your consideration.

This year we continued our very collaborative budget development process working closely with you through the Commission Committees to develop the Proposed Budget, which was released on May 31, 2006. The Proposed Budget was based on the preliminary tax roll as of June 1. The certified tax roll was released at a higher value than anticipated in the Proposed Budget. On July 18, the Board adopted millage rates adjusted down to capture a portion of this growth and the remaining ad valorem revenue in excess of that budgeted in the Proposed Budget was put in a reserve to fund future service needs. These millage rates were included on the Notices of Property Taxes sent to all property owners on August 22. The attached ordinances reflect those adjustments and the Board is reminded that pursuant to State law, the tentative millage rates approved at the first budget hearing cannot be higher than those approved in July without re-noticing all property owners and cannot be increased at the second hearing.

The ordinances also incorporate technical changes and adjustments, corrections of scrivener's errors, revisions resulting from Commission actions subsequent to the release of the Proposed Budget, and current estimates of grants for agencies and departments. In addition, cash carryovers for proprietary funds have been adjusted where appropriate.

I have scheduled meetings with each of you to discuss any questions or concerns you might have. We also held public meetings on August 15 and 16 at seven sites throughout the county pursuant to R-1018-94, to discuss tax rates and fee changes (Attachment A is a copy of the advertisement for these meetings).

Since the release of the Proposed Budget in June, a number of issues surfaced that will impact the FY 2006-07 budget. Some of these issues require funding adjustments that are outlined in this report, while others will be addressed as part of the mid-year budget adjustments. I am recommending certain enhancements to our audit and performance assessment functions as detailed below. For other adjustments, as well as certain organizational reviews mentioned in the budget message, I intend to submit recommendations to the Board after October 1, 2006.

## 1. Updated Tax Roll Adjustments

As a result of the higher than anticipated growth in the property tax roll, even after accounting for the millage decreases adopted by the Board on July 18, there are increases to the budgeted property tax

revenues. For the Countywide General Fund the revenue increase is \$9.685 million. Portions of this increase go to fund the Emergency Contingency Reserve (\$425,000), tax increment financing district payments (\$1.664 million), and the increased formula payment to the Public Health Trust (\$1.151 million). The balance (\$6.445 million) was set aside in a reserve for service or capital needs as directed by the Board on July 18. For the Unincorporated Municipal Service Area (UMSA) General Fund the property tax revenue increase is \$3.09 million. A portion of this increase is needed to fund the UMSA portion of the tax increment financing district payment (\$620,000) with the balance (\$2.47 million) set aside in a reserve for service or capital needs. The revenue increases for the Library System (\$2.224 million) and Fire-Rescue District (\$6.31 million) are both being set aside in reserves for service and capital needs.

## 2. General Fund Adjustments

Subsequent to the release of the Proposed Budget, several revenue estimates have been revised. Specifically, the estimate for interest earnings has been increased by \$2.504 million, the Aviation administrative reimbursement will be increased by \$1.375 million based on the revised Aviation Department budget, and the Vizcaya administrative reimbursement (\$96,000) is recommended to be eliminated. The general fund recommendations summarized below and detailed in the memorandum are being funded by this additional revenue, by allocations from the reserve for service or capital needs (\$6.445 million), and other specified sources. Due to the net additional revenue identified in the UMSA General Fund, an additional \$73,000 is recommended to be added to the UMSA reserve for service or capital needs bringing the total to \$2.543 million.

Revenue Budget Recommendations					
(Dollars in Thousands)					
	CW	UMSA	Fire Rescue/Library	Proprietary/ Other	Total
<b>Revenue Adjustments</b>					
Property Tax Revenue	\$9,685	\$3,090	\$8,534	\$0	\$21,309
Interest Earnings	1,679	825	0	0	2,504
Aviation Administrative Reimbursement	963	412	0	0	1,375
Vizcaya Administrative Reimbursement	(67)	(29)	0	0	(96)
CDBG Funding for Housing	0	0	0	5,202	5,202
Fire Rescue Additional Impact Fee Revenue	0	0	0	520	520
Fire Rescue Additional Grant Revenue	0	0	0	(81)	(81)
Water and Sewer Wholesale Revenues	0	0	0	(799)	(799)
Cultural Affairs Grant	0	0	0	1,000	1,000
Aviation Revenues	0	0	0	(4,623)	(4,623)
Transient Lodging Tax Adjustment	0	0	0	8,601	8,601
Corrections and Rehabilitation (C&R) Food Services Carryover	0	0	0	798	798
Business Development Certification Fees	0	0	0	(45)	(45)
GSA Transfer for Wellness Center Operations	0	0	0	(216)	(216)
Seaport Litigation Settlement and Revenues	0	0	0	1,336	1,336
Food and Beverage Tax Adjustment	0	0	0	1,212	1,212
Homeless Trust Additional Grant Funding	0	0	0	210	210
People's Transportation Plan	0	0	0	(107)	(107)
<b>Total Revenue Adjustments</b>	<b>\$12,260</b>	<b>\$4,298</b>	<b>\$8,534</b>	<b>\$13,008</b>	<b>\$38,100</b>

### Expenditure Budget Recommendations

(Dollars in Thousands)

	<u>CW</u>	<u>UMSA</u>	<u>Fire Rescue/Library</u>	<u>Proprietary/ Other</u>	<u>Total</u>
<b><u>Expenditure Adjustments</u></b>					
Non-Departmental - Emergency Contingency Reserve	\$425	\$0	\$0	\$0	\$425
Non-Departmental - Tax Increment Districts	1,664	620	0	0	2,284
Non-Departmental - Reserve for Service or Capital Needs	0	2,543	8,534	0	11,077
Housing Agency CDBG eligible expenditures	0	0	0	5,202	5,202
Housing Agency Capital Improvements Debt Service	580	0	0	0	580
Housing Agency - Rental Subsidy Program	5,000	0	0	0	5,000
Audit and Management Services Enhancements	210	90	0	0	300
OSBM Performance Assessment and Improvement	105	45	0	0	150
Non-Departmental - Management Consulting Reserve	350	150	0	0	500
Public Health Trust	2,412	0	0	0	2,412
Public Works NEAT Teams	0	500	0	0	500
Solid Waste Management Unrestricted Reserves	0	0	0	(240)	(240)
Solid Waste Management Countywide Anti-Litter Campaign	0	0	0	240	240
Fire Rescue District Service Reserve	0	0	(14,258)	0	(14,258)
Fire Rescue District Enhancements	0	0	14,258	520	14,778
Fire Rescue Additional Grant	0	0	0	(81)	(81)
Community Economic Development CDBG Public Services	1,401	0	0	0	1,401
Water and Sewer Adjustment	0	0	0	(799)	(799)
Non-Departmental - Comprehensive Planning Assessment	200	0	0	0	200
Non-Departmental - Child Protection Team	175	0	0	0	175
Non-Departmental - CBC Alliance Support	30	0	0	0	30
Non-Departmental - Healthy Kids	(955)	0	0	0	(955)
Cultural Affairs Adjustment	0	0	0	1,000	1,000
Non-Departmental - Parrot Jungle	556	0	0	0	556
Aviation Adjustment	0	0	0	(4,623)	(4,623)
Transient Lodging Tax Adjustment	0	0	0	8,601	8,601
Homeless Trust Food and Beverage Tax Allocations	0	0	0	170	170
Homeless Trust Tax Equalization Reserve	0	0	0	1,042	1,042
Homeless Trust Additional Grant Funding	0	0	0	210	210
C&R Food Services Carryover	0	0	0	798	798
Business Development Certification Fees	0	0	0	(45)	(45)
Park and Recreation Wellness Center Adjustment	0	0	0	(216)	(216)
Housing Finance Authority Interest Payments	0	0	0	(40)	(40)
Housing Finance Authority Clerk 3 Position	0	0	0	40	40
Seaport Personnel and Debt Service	0	0	0	1,336	1,336
Non-Departmental - CBO Adjustments	(504)	0	0	0	(504)
Human Services - CBO Monitoring Enhancements	111	0	0	0	111
Capital Outlay Reserve - CBO Monitoring Database	500	0	0	0	500
Non-Departmental - Wage Adjustment Reserve	(21,937)	(12,617)	0	0	(34,554)
Non-Departmental - Wage Adjustment Allocation to Departments	21,937	12,617	0	0	34,554
Capital Outlay Reserve - Prepayment of Existing Debt	(2,500)	0	0	0	(2,500)
Capital Outlay Reserve - Job Evaluation System	(350)	(150)	0	0	(500)
Capital Outlay Reserve - Shared Services Study	350	150	0	0	500
Capital Outlay Reserve - C&R RFID Project	375	0	0	0	375
Capital Outlay Reserve - C&R TGK Fire Plan Debt	567	0	0	0	567
Capital Outlay Reserve - Air Rescue Helicopter Modifications	100	0	0	0	100
Capital Outlay Reserve - Ocean Rescue Modular Units	400	0	0	0	400
Capital Outlay Reserve - Police Training Bureau	0	350	0	0	350
Capital Outlay Reserve - Lightspeed Building Planning and Design	100	0	0	0	100
Capital Outlay Reserve - MDTV Capital Projects	190	0	0	0	190
Capital Outlay Reserve - Debt Service on Coast Guard Property	673	0	0	0	673
Capital Outlay Reserve - Public Health Trust Debt Service Adjustment	95	0	0	0	95
Government Information Center	(146)	0	0	0	(146)
Enterprise Technology Services	146	0	0	0	146
Citizens Independent Transportation Trust Adjustment	0	0	0	(107)	(107)
<b>Total Expenditure Adjustments</b>	<b>\$12,260</b>	<b>\$4,298</b>	<b>\$8,534</b>	<b>\$13,008</b>	<b>\$38,100</b>

### **3. Housing**

On February 21, 2006, I appointed Cynthia W. Curry to be my Senior Advisor for Economic Development and Housing Initiatives. Ms. Curry was charged with the responsibility of developing and guiding the implementation of critically important housing and economic development strategies that touch every sector of our community. Recognizing deficiencies in various areas within the Miami-Dade Housing Agency (MDHA), a multidisciplinary team of staff from various County departments was assembled and tasked with analyzing MDHA's operations. The Management Assistance Team (MAT) completed this first phase with the submission of the Preliminary Report released in July 2006. Based on the findings included in this report, I requested that Ms. Curry and the MAT have hands-on involvement with the day-to-day management of MDHA operations until a permanent director is hired.

There are approximately 398 vacant public housing units in need of renovation and/or repair so that they are fit to be occupied by eligible applicants. MDHA anticipates that these units in need of comprehensive modernization can be rehabilitated by the end of FY 2006-07 at an estimated cost of \$5.2 million. Security at our public housing is also a major concern. I have asked that the MAT work with the Miami-Dade Police Department, the Office of Community and Economic Development and the Office of Strategic Business Management (OSBM) to locate grants and other funding sources for the implementation of the Public Housing Safety and Security Plan. This Plan includes additional video cameras, lighting, and fences at public housing sites throughout the County (\$4.8 million in FY 2006-07). An analysis of the Capital Fund Program (CFP) and other potential sources is underway to determine available funding in light of new priorities. Additionally, to address custodial issues at public housing sites, MDHA will implement a janitorial services contract (\$500,000).

To expand housing opportunities to extremely low income families (income below 30% of median income), a program is being developed for implementation by November 1, 2006 to provide a tenant-based rental housing subsidy program (\$5 million). The funding will be used for security deposits and subsidy payments on behalf of unassisted families to rent from landlords on the private housing market. A process will be set up for determining eligibility and the selection of families. A report detailing the process and the number of people to be served will be provided to the Board under separate cover.

As the Board is aware, the Surtax Program has been temporarily moved from MDHA to the Finance Department. In addition, I requested that the Finance Director, Rachel Baum, work with the MAT on a comprehensive review of the Surtax program. I have requested that the MAT and OSBM review MDHA's entire table of organization to ensure that the County provide housing assistance to its residents in the most efficient and effective manner and to align the department's staffing in a manner consistent with the asset management funding model being implemented by US HUD.

Each of the elements listed above will have an impact on the MDHA FY 2006-07 Budget. As will be discussed later in this document, I will be recommending certain amendments to the 2006 Action Plan and policy changes for the 2007 Action Plan to redirect \$5.202 million of Community Development Block Grant funding to eligible housing activities. In addition, I recommend an allocation of \$580,000 in the Capital Outlay Reserve (COR) to fund the first year debt service obligation for \$4.8 million in financing proceeds for renovation and modernization of our owned public housing stock and \$5 million from the countywide reserve for services to fund the rental subsidy program mentioned above.

The FY 2006-07 Proposed Budget assumed that the Public Housing Subsidy, which is determined by the U.S. Department of Housing and Urban Development (U.S. HUD), would be funded at \$25.808 million or 92 percent of anticipated program costs (base subsidy) initially awarded for the current calendar year (federal funding is based on calendar year). Final determination of the funding level for CY 2007 is subject to Congressional approval, which is still pending. The Board will be advised once the information

is available. However, considering that the FY 2005-06 funding has recently been decreased to 85.5 percent (effective July 1, 2006), it is unlikely that the subsidy will be higher than this for next year. Additionally, as of CY 2007, U.S. HUD is also changing the methodology for determining the amount of subsidy granted to each public housing agency under the Asset Management program. This change has extensive operational, managerial, and financial implications. Because the overall U.S. HUD 2007 appropriation for public housing programs has not yet been determined and because the impact of the new formula for allocation funding is not yet known, we do not know the financial impact on MDHA. Given these circumstances, I recommend waiting until the federal funding level is determined later this fall before making any service or funding adjustments to our public housing program. I recommend we maintain adequate reserves in the General Fund and seek other funding sources and opportunities before addressing any funding shortfall in the FY 2006-07 mid-year amendments.

#### **4. Audit and Performance Assessment**

It is critical that we bolster the resources in our organization dedicated to our audit and performance assessment and improvement functions. The tools are in place for our Department Directors to track departmental performance in the areas of the balanced Scorecard – financial, customer service, internal management, and planning and development – and we will be using them and auditing the information we collect. I have asked that external auditing firms be identified on an expedited basis to assist with targeted operational and financial reviews of County departments. I recommend adding four positions (\$300,000) to strengthen the Department of Audit and Management Services and two positions (\$150,000) to support the performance improvement and assessment functions in OSBM. I also recommend allocating an additional \$500,000 to the reserve for Management Consulting to help support the external efforts. Five additional positions have been authorized in the current year for the Office of the Inspector General to support on-going investigations audit of departmental operations, beginning with MDHA. Funding for the additional positions will be determined based on where these resources are directed and may require an adjustment at mid-year.

#### **5. Solid Waste**

As requested at the July 11, 2006 Infrastructure and Land Use Committee (INLUC) meeting and the July 18, 2006 Board of County Commissioners meeting, additional information has been developed regarding the recommended household solid waste collection fee included in the FY 2006-07 Proposed Budget. The Proposed Budget recommended a \$50 increase to the annual household collection fee for a total of \$449. The recommended fee increase includes \$31 to maintain the current service level of waste collection services and \$19 for bulky trash collection improvements including two additional litter crews. It also assumed continued funding of curbside recycling at the current contract price.

##### ***Bulky Waste***

The recommended waste collection fee includes \$19 for improvements to bulky trash collection. This enhancement will provide for new equipment and reduce the average response time from as many as 21 days to seven days or less, taking into account the higher participation rates we have seen in recent years, as well as two additional litter crews to maintain rights-of-way within the service area. We provide one of the most generous and diverse trash collection services nationally, offered by few, if any, other local governments serving as many customers or as large a geographic area within the recommended fee structure. This service includes two on-demand curbside bulky waste collections of up to 25 cubic yards each (or one with 50 cubic yards), which is in addition to the unlimited use of 13 Trash and Recycling Centers (TRC). The system provides our customers with a unique freedom of choice – curbside when they need it in addition to their unlimited use of the TRC facilities. In terms of budgeting operations, the current system works well because a balance has evolved in the participation rate between those households that prefer to use the TRC facilities, those who prefer to use the on-demand

service and those who use both services. This allows the Department of Solid Waste Management (DSWM) to better target and to therefore minimize the fee required to fund that unique balance. In the countywide customer satisfaction survey performed at the end of the last year, more than 60 percent of those surveyed reported being satisfied or very satisfied with the current bulky waste service.

The INLUC Committee and the Board have discussed the possible replacement of the current on-demand bulky trash pick-up system with scheduled sweeps, which could be delivered at a variety of time intervals – quarterly, bi-monthly, monthly, bi-weekly or even weekly. The estimated additional cost of the sweep options ranges to as much as \$92 per household for weekly sweeps, in addition to the \$31 required to maintain services for next fiscal year. While we have seriously considered and reviewed these options, I strongly recommend against implementing such a significant change to our waste collection method at this time for a variety of important reasons. First, scheduled sweeps at most frequency intervals would require the addition of substantial resources in the form of labor, heavy equipment, and increased code enforcement. Second, there still remain certain unknowns related to the real cost of sweep service including the financial impact of mitigating the resulting holes along the right-of-way, managing trash pile size limits and set-out timing, and managing debris that may scatter from the numerous piles, as well as other general aesthetic issues. These unknowns may drive collection costs higher than estimated, which implies even greater future fee increases over what is recommended in the FY 2006-07 Proposed Budget. Third, scheduled sweep service is observed to be most efficiently delivered in small to medium sized, compact urban areas. This is in contrast to the very unique DSWM service area, which also includes suburban, estate, semi-rural and rural areas that encompass approximately 400 square miles. Fourth and finally, despite the popularity of the TRCs, it would be unrealistic not to reconsider reducing or possibly even eliminating the TRC system in order to implement scheduled sweeps in an affordable, sustainable manner over the long-term, particularly if the actual cost of providing the scheduled sweep service exceeds the program's planning-level estimates.

A survey of our customers was recently completed and while we are still analyzing the results, preliminarily the response indicates that customers are satisfied with the current method of service provision and are not supportive of paying more for their service, even to buy service improvements.

### ***Recycling***

Miami-Dade County has been offering residential recycling in the form of weekly, "dual stream" (two bin) collection since FY 1989-90. The County's original contract is currently operating under a six-month extension that will expire in December 2006. In an effort to obtain a new and more cost-effective contract for curbside collection services, the Department of Solid Waste Management (DSWM) issued an Invitation to Bid in September 2005; one bid was received. It is believed that certain bid specifications, including the requirement that all vehicles and containers be new at the start of the contract, limited the pool of vendors capable of providing the service.

BFI Waste Systems of North America, Inc., d/b/a Allied Waste, the current provider, responded to the ITB with two service alternatives as specified in the ITB, and also provided an alternate bid not specifically contemplated in the solicitation. The first two bid alternatives represented cost increases of 8 and 29 percent. The vendor also submitted an alternate bid, basically continuing the same service level with phased-in equipment replacements, at a price that represented a marginal (2 percent) increase over the current fee. I have rejected the bid and to allow staff to revisit the recycling industry through a more flexible solicitation, while developing options to ensure continuity of service. Substituting in-house for contracted curbside service would not yield substantial cost savings and would pose significant operational challenges.

Preliminary results of the recent survey of Solid Waste customers indicate customers prefer curbside recycling to alternate methods. Specifically, those surveyed indicated they preferred retaining curbside

service to changing the method, even when the alternate method would allow for a reduced fee. Coupled with the final analysis of the customer opinion survey, a report is currently being finalized regarding recycling services in communities nationwide to be used in the development of recycling programs that are reflective of the community's desires. With this in mind, and cognizant of State-established recycling goals and requirements, I intend to re-engage with the recycling industry through a flexible solicitation that emphasizes overall effectiveness and tonnage goals. As suggested in the report, altering the types of materials collected, implementing an extensive 'drop-box' program, partnering with non-profit organizations, and/or a more productive curbside recycling program could be more effective and cost efficient than the current service.

In the event that a successor contract with the current or any other vendor cannot be put in place prior to January 1, 2007, the County will not abandon recycling, but will establish temporary recycling drop-off locations at eleven Trash and Recycling Centers (TRCs) and other convenient locations for residents across the County. We will effectively communicate any changes well in advance to both unincorporated and municipal residents currently served by the existing recycling contract. In the meantime, the County will engage with private industry with the aim of developing an effective, cost-efficient recycling program through a Request for Information (RFI) process. Following the solicitation process, I intend to present to the Board later in the year a definitive long-term recycling program that is cost efficient, provides individual residents with the opportunity to recycle, and is effective for the long-term. I also intend to pursue any viable, responsible options to continue some form of curbside recycling in the interim in order to avoid any lapse in service.

Prior to the second budget hearing, I will present alternatives for bulky waste and recycling services and corresponding rates to the Board and will submit a recommendation for your consideration at the final budget hearing.

## **6. Public Health Trust**

As noted in the Proposed Budget, Public Health Trust (PHT) management and staff from the OSBM continued to revise the PHT budget for FY 2006-07 during the summer. PHT management presented its proposed budget to the PHT Fiscal Affairs, Purchasing and Budget Committee on August 8 and to the full PHT Board on August 28. Attachment B is a summary of the County's support to the PHT which was incorporated as part of the operating budget approved by the PHT and has been reflected in the County's budget ordinance. Any additional adjustments to the budget will be provided to you before the second budget hearing.

Based on current year performance, the County Healthcare Sales Surtax estimate has been revised from \$179.255 million to \$190 million. As a result of adjustments to the General Fund subsequent to the release of the Proposed Budget the maintenance of effort contribution to the PHT was increased by \$1.457 million to \$158.098 million. The revised proposed General Fund contribution for FY 2006-07 is \$169.41 million including the required maintenance of effort, \$1.5 million to defray the cost of ambulance services for PHT patients. The additional General Fund contribution of \$6.5 million (\$10 million net of payments towards the Healthy Kids insurance program) has increased by \$955,000 since the release of the Proposed Budget to \$7.455 million as result of adjustments to the funding of Healthy Kids (detailed in Section 14 of this memorandum). I recommend this additional funding be used to enhance support for Community Health of South Dade, Inc. In addition to these increases, to balance the budget, the PHT incorporated into the budget additional revenues and savings initiatives totaling approximately \$50 million. These revenues and savings include proposals from Project Re-Create as well as new initiatives developed by the staff of the PHT. Implementation of the initiatives will occur throughout the year and adjustments to the initiatives may be made by the PHT to optimize service delivery.

As you recall, the County has issued \$85 million of debt over the past two fiscal years (FY 2004-05 and FY 2005-06) on behalf of the PHT. The County's Budget assumes a corresponding debt service payment of \$11.52 million, adjusted for revised debt service schedules. In addition, the Proposed Budget includes \$45 million in additional financing proceeds from the County for capital equipment needed by the PHT. PHT will be responsible for the debt service payments on the \$45 million, with financing structured so that these payments begin in FY 2007-08.

The County's commitment towards the elimination of the PHT financial difficulties has extended beyond the debt service items mentioned above. Over the past two years, the County has provided financial assistance including assuming liability for property insurance deductible coverage freeing up \$25 million in the PHT operating budget, and has staggered various payments due to the County such as payments for property insurance, medical and worker compensation reimbursements, and Miami-Dade Fire Rescue helicopter costs.

The Capital Budget reflected in the budget ordinance has been revised to include the additional \$45 million of financing proceeds. PHT is currently reviewing its capital program and a report will be presented to the PHT Board for its consideration, and then forwarded to the Board of County Commissioners for approval. Also, pursuant to Resolution R-461-06, PHT and County staff are currently developing a multi-year financial plan to continue assisting the PHT. This plan and the operating agreement for FY 2006-07 will be provided to the Board for consideration in October.

## **7. The "Little Things"**

Many neighborhood focused enhancements are recommended in the FY 2006-07 Proposed Budget. Among them I have included eight Neighborhood Enhancement Action Teams (NEAT), intended to have an immediate impact on what may be perceived as minor, but in reality what are very important quality of life issues across the Unincorporated Municipal Service Area (UMSA), for example: fixing a downed street or traffic sign, picking up an old mattress left in the middle of an intersection, collecting small litter piles, smoothing out an uneven sidewalk, or trimming a tree branch or hedge that blocks a clear view of traffic to name a few. After further consideration, staff has recommended the addition of two more NEAT teams for a total of ten, based on analysis of minimum geographic coverage requirements in order to effectively deliver this service based on complaint data historically received in Public Works Department (PWD). The first year cost of implementing the two additional crews, as well as refined cost estimates for the currently recommended eight crews requires an additional \$500,000 for a total first year cost of \$1.633 million or \$163,300 per crew. For this first year of the NEAT Program, the County will be divided in horizontal layers running north to south that average 29.5 developed square miles each. It is estimated that each crew will be able to cycle through its area every eight days. Attachment C provides more information on the NEAT teams and other details regarding their implementation. In addition, as part of the funding included in the FY 2006-07 Proposed Budget for green infrastructure through the guidance of the Community Image Advisory Board (CIAB), a third NEAT team will be added to PWD/RAAM Division that is specifically assigned to work on CIAB-designated priority gateways focusing on landscaping, litter pick-up, and related green infrastructure projects. At this time I am also recommending that an allocation of \$240,000 be made from Solid Waste Management Disposal fund unrestricted reserves to fund a countywide anti-litter campaign during the upcoming fiscal year.

## **8. Miami-Dade Fire Rescue (MDFR)**

The Proposed Budget includes a \$16.6 million service reserve and was based on an assumed 18.2 percent roll growth in the Fire District. The certified tax roll for the Fire Rescue District increased by 20.68 percent, producing an actual service reserve of \$22.9 million. The reserve was available for costs related to the potential merger of City of Hialeah fire services into the District. Since the City has decided



not to join the District, it is recommended that the implementation of the department's five year plan be accelerated, and additional fire and rescue services be provided to our residents. It is recommended that reserve funds be used for the deployment of two Rescue Units (Arcola and Doral) (\$1.5 million from District funds and \$520,000 from Impact Fees for vehicle purchases), and the addition of two Fire Boat units (\$1.3 million). I recommend we provide District funding to further enhance the on-duty Paramedic training program. In addition to the increased services and training, it is proposed that we accelerate the implementation of the 14<sup>th</sup> Battalion (\$675,000) and establish an Internal Affairs Unit (\$650,000). Furthermore, I recommend that we take this opportunity to address one-time purchases that will improve service reliability. These purchases include an upgrade to the radio system to provide the ability to transmit via microwave and allow the existing T-1 lines to serve as an emergency back-up (\$4.2 million) and to purchase a spare Fire Rescue Unit (\$260,000). The remaining funds will be used to acquire land for the City of North Miami station (\$2.5 million) and to establish a construction and land acquisition reserve (\$3 million).

Due to a minor construction delay expenses related to the operations of the Highland Oaks Station will be reduced in FY 2006-07 (\$500,000) and non-uniformed staff will perform background investigations resulting in a recurring savings of \$1.2 million. The Proposed Budget also includes reduced funding for an Emergency Medical Services Grant (\$81,000).

The additional services and enhancements will require the addition of 26 uniformed and 11 non-uniformed positions. I recommend that we fund the addition of two Fire Fighter classes (One Certified and one Non-Certified, \$1.373 million) in order to meet the additional staffing needs.

## **9. Community Development Block Grants**

The U.S. Department of Housing and Urban Development through its Annual Community Assessment for the 2005 Program Year indicated that the County exceeded its Public Service cap by 10.58 percent or \$2.4 million of the grant and program income of \$22.737 million. According to U.S. HUD's regulations, the amount of Community Development Block Grant (CDBG) funds used for Public Services should not exceed 15 percent of each grant plus 15 percent of the program income, excluding those activities that are exempt from the Public Service cap. As a result, I am recommending that corrective action be taken as part of the FY 2005-06 year-end amendment to replace the CDBG funds of \$2.4 million with funding from the Countywide General Fund.

The U.S. HUD's finding further indicated that the County may also exceed the Public Service cap for FY 2006. Therefore, I am recommending Public Service allocations for Community-based Organizations (CBOs) be discontinued beginning in 2007. These agencies should apply for future funding through the Alliance for Human Service Notice of Funding Availability (NoFA) process for allocations beginning July 1, 2007, to allow us to better utilize the CDBG program for its intended purpose of developing viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, primarily for persons of low- and moderate-income. Furthermore, this would accomplish a goal to better coordinate CBO allocations and monitoring. To bridge these CBOs from the current allocations to July 2007, I recommend providing six months of continuation funding (\$1.401 million, Attachment D) and additional funding for the Alliance NoFA process (\$2.802 million), which will be appropriated in FY 2007-08. I am recommending that the total CDBG funds being recaptured be used for eligible housing-related expenses in the Miami-Dade Housing Agency, as mentioned in Section 3. This action may result in CDBG allocations to County departments exceeding the Board's self-imposed rule of limiting such allocations to 30 percent of the total entitlement. Appropriate legislation to adjust the Action Plan and related policies be brought to the Board for consideration.

## 10. Water and Sewer

During the summer of 2005, the Board directed the Water and Sewer Department (WASD) to obtain an independent water and sewer rate consultant to review WASD's wholesale cost allocation model and a proposed technique to "smooth" rate adjustments, and to review wholesale rates for FY 2006-07. In developing its various recommendations and rates, Milian, Swain and Associates, Inc. (MSA - the selected consultant) worked with WASD and OSBM staff, as well as representatives of the wholesale customers. City representatives were involved in the selection process and participated in meetings with the consultant and the Department over the past few months analyzing the methodology used in the wholesale rate calculation. The representatives concur with the suggested rate adjustments and the adoption of the smoothing mechanism, which will be further refined over the coming months for use in developing the FY 2007-08 rates.

To summarize the study's findings, MSA validated the current allocation methodology, while proposing certain adjustments. The consultant also endorsed the use of a rate-smoothing mechanism to mitigate against large, periodic wholesale rate adjustments. As a result of these findings, MSA recommended wholesale rate adjustments, shown in the following table. Due to the revised rates the proposed operating revenues are estimated to decrease by \$799,000. WASD will adjust its expenses down accordingly.

<b>Miami-Dade Water and Sewer Department Wholesale Water System Customer Rates</b>			
<b>Description</b>	<b>FY 2005-06 Current Rates</b>	<b>FY 2006-07 Proposed Rates</b>	<b>FY 2006-07 Revised Rates</b>
<b>Water System</b>			
Hialeah and Miami Springs	\$0.9700	\$0.9800	\$0.9733
All other cities	\$1.1000	\$1.1100	\$1.1000
<b>Wastewater System</b>			
Wet Season	\$1.9500	\$1.9800	\$1.9500
Dry Season	\$1.5200	\$1.5400	\$1.5200

The wholesale rate analysis includes additional findings and recommendations regarding wholesale contract language, cost allocations, rate adjustment techniques, and the wholesale rate structure. Among the findings, MSA recommends that WASD review the appropriateness of the Unaccounted for Water Credit currently provided to Hialeah and Miami Springs. The consultant suggests that the transmission mains to Hialeah and Miami Springs are now looped to provide reliability of services to all its customers and therefore the economic benefits gained from the location of the treatment plants should be shared by all customers. In addition, the Department should make this adjustment a part of the current American Water Works Association (AWWA) study of methodologies for calculating water losses. If the department determines that the Unaccounted for Water credit is appropriate, it should be included in the Water Use Accounting Plan to be submitted to the South Florida Water Management District per the Consumptive Use Authorization and Agreement. MSA did not make any recommendation relating to the appropriateness of the transmission and related debt services adjustments for Hialeah and Miami Springs. In view of the large anticipated capital programs associated with state and federal requirements, WASD will review all of its rates and fees in FY 2006-07 for both retail and wholesale customers.

## **11. Use of Consultants**

As requested by the Mayor and the Board, staffs from several departments have been analyzing areas where the County can reduce our reliance on outside consultants. The initial results have been encouraging, though further analysis is needed. A report on Consultant usage throughout the County will be issued under separate cover. Attachment E addresses current findings and potential benefits of transferring some of these consultant activities in the area of construction engineering inspections to in-house personnel in more detail. Therefore, I am recommending the addition of 60 inspector positions to the Public Works Department to begin this transition. Costs of these inspectors will be charged directly to the projects that they will be inspecting, which is the same source of funding currently used to pay for the services provided by consultants. As the new fiscal year progresses, staff will continue to evaluate the success of this transition, the potential need for additional positions, and other areas available for transition away from consultants. These conversions are in addition to full-time positions included in the Proposed Budget for a sidewalk repair crew, engineers for roadway safety and capacity projects and traffic signal recalibration, and a traffic signal maintenance and construction crew, in lieu of contracted services.

## **12. Planning and Zoning**

A study of the planning and zoning functions within Miami-Dade County was undertaken this summer and preliminary results identified three components of planning to be further examined for enhancement in the coming months: socio-economic planning, transportation planning, and outreach and public involvement. If integrated, these functions would complement the Department of Planning and Zoning's (DPZ) existing expertise in land use planning and position the department and the County to approach planning in proactive fashion to provide an improved quality of life for the region. To this end, I recommend engaging the services of a preeminent land development and planning entity to facilitate the open exchange of ideas, information, and experience with the use of local, national, and international industry leaders and policy makers dedicated to creating better places to formulate an action plan for our County. I recommend an allocation of \$200,000 for an external study and for promotional and outreach efforts to assist with a countywide planning initiative.

## **13. Design and Construction of Drainage Projects**

Countywide and local drainage projects have been planned, designed and constructed in recent years through two departments – the Department of Environmental Resources Management (DERM) and the Public Works Department (PWD). While we can point to significant projects and successful completions in both agencies, it is recommended that drainage design and construction functions in DERM be transferred to the PWD. Unification of design and construction of drainage projects achieves an important objective, enabling the County to fully account for service delivery and project completion performance in one location. It is contemplated at this time that DERM will retain fiscal oversight of the County's Stormwater Utility, which funds drainage projects, and will continue to provide countywide planning and permitting relating to storm water management.

## **14. Programs Supporting Services for Children**

### ***Child Protection Team***

Florida Statutes requires that all abuse and neglect cases referred for investigation by the abuse hotline be forwarded to that local Child Protection Team for a determination of whether the child involved should undergo a medical examination. If the child is examined as a result of an allegation of abuse, neglect or abandonment, the county in which the child is a resident is responsible for the initial costs of the examination of the allegedly abused, abandoned, or neglected child. While the State Department of

Health absorbed this cost in prior years, they can no longer continue to cover this cost due to budgetary reductions. As a result, I am recommending an allocation of \$175,000 to the University of Miami Child Protection Team to cover expenses associated with these examinations.

### ***Community Based Care Alliance***

Along with recent actions at the state level to privatize certain services for children and their families, Florida Statutes also require the establishment of a Community Based Care (CBC) Alliance comprised of community leaders including representatives from county government, the school district, the United Way, the Circuit Court, and the local Children's Board. The CBC Alliance is established with the goals of planning for community-based services, determining outcome goals, and assisting with resource development. Last fiscal year, Commissioner Seijas provided funding to support the Executive Director position from her office funds. This fiscal year, the Children's Trust has agreed to match the County effort to support this function through the Dade Community Foundation. I recommend supporting this effort (\$30,000), conditioned on a like support level from the Children's Trust, and administratively executing an agreement with Dade Community Foundation.

### ***Cultural Programs***

The Department of Cultural Affairs has been awarded a \$1 million grant by The Children's Trust to expand cultural arts programs for children and youth in Miami-Dade County. The funding provided by The Children's Trust enables the department to increase arts opportunities for children significantly by creating a comprehensive array of competitive grants programs for non-profit arts providers (including the Youth Arts Miami, the Youth Arts Enrichment, and the All Kids Included grants programs) and awarding scholarships to children to participate in summer arts and science camp programs. The \$1 million will be conveyed and expended in FY 2006-07.

### ***Florida Healthy Kids Corporation***

The Public Health Trust (PHT) had provided the funding to provide health insurance coverage for non-Title XXI enrollees in Miami-Dade through the Florida Healthy Kids Corporation (FHKC) since 1996. For FY 2005-06, the PHT voted to discontinue payment for this program. In April, I indicated to the FHKC that I would recommend funding support from the County for both FY 2005-06 and FY 2006-07. The FHKC Board of Directors has adopted guidelines for county contributions consistent with legislative changes adopted by the 2006 State Legislature. Based on these new guidelines, required funding for this program is estimated at \$1.552 million for FY 2005-06 and \$993,000 for FY 2006-07. I recommend that the Board appropriate up to \$2.545 million for the required match for FY 2005-06 and FY 2006-07, and that the annual financial contract between the County and FHKC be executed administratively.

## **15. Parrot Jungle**

I am recommending an allocation of \$556,000 from the General Fund to cover the County's 20 percent of the \$25 million U.S. Housing and Urban Development Section 108 Loan pursuant to Resolution R-916-06 adopted by the Board of County Commissioners on July 18, 2006. The budget ordinance shows the 80 percent contribution from the City of Miami supporting the total appropriation for the loan payment.

## **16. Aviation**

The FY 2006-07 Proposed Budget recommended \$625.223 million for the operation of the Aviation Department. A revised budget, reduced by \$4.623 million to \$620.6 million, approved by the Miami Airport Affairs Committee (MAAC) reflects a \$31.995 million reduction of Aviation fees and charges to \$247.298 million from \$279.293 million. Revisions include reductions to maintenance and consulting contracts, adjustments to personnel rates and utilities payments, adjustments to the administrative reimbursement calculation, and other minor changes. The landing fee rate, currently at \$2.77 per 1,000

pound unit in FY 2005-06, has been reduced to \$1.85 per 1,000 pound unit from the recommended \$2.96 per 1,000 pound unit in the Proposed Budget. Accordingly, landing fee revenue will be reduced by \$30.14 million to \$59.22 million from \$89.36 million. Airline cost per enplaned passenger, estimated at \$19.70, will decrease to \$17.01. Revenues generated by commercial operations will increase to \$162.151 million from \$145.821 million, as a result of adjustments to management agreements. Other revenues, affected by on-going construction, will decrease by \$7.9 million to \$11.7 million. In anticipation of new retail locations opening throughout the terminal in FY 2006-07, revenue generated by rental of terminal space, structures, and Common Use Terminal Equipment (CUTE), will increase to \$97.8 million, \$7.2 million more than budgeted in FY 2005-06, but \$1.7 million less than projected in the FY 2006-07 Proposed Budget.

Expenditures for salary and fringes were increased based on negotiated wage adjustments to \$99.5 million and \$30.7 million, respectively, and reserves for salary adjustments were eliminated, increasing expected expenditures within the divisions by a net of \$4 million. Capital costs in the operating budget were reduced by \$2 million by eliminating a litigation reserve no longer required. Reductions in other operating expenditures will lower the overall budget by \$2.6 million. Required cash reserves, calculated on decreased operating expenditures, will also be reduced by \$500,000.

This revised budget includes changes to existing fees and rates. Parking rates for daily long-term parking will increase to \$15 from \$12 per day, monthly charges to magnetic parking cards will increase to \$100 from \$75, and annual contractor parking cards will increase to \$200 from \$100. Other rate changes, currently being considered by the MAAC will be reflected in the memorandum and ordinances provided for your consideration at the second budget hearing. The department is further reducing its total positions through the elimination of eleven long-term vacant positions.

## **17. Transient Lodging Taxes**

The FY 2006-07 Convention Development Tax proceeds of \$42.378 million reflects a reduction of \$2.399 million from the Proposed Budget of \$44.777 million as a result of updated revenue projection. Additionally, to reflect all available revenues, the CDT budget also includes carryover of \$11 million to cover debt service and shortfall reserve.

The Homeless Trust budget is revised to include an additional \$1.212 million of Food and Beverage Tax revenues. On July 31, 2006, the Homeless Trust approved several items to be funded from this increase and the balance (\$1.042 million) has been added to a Tax Equalization Reserve. Approved items include the acquisition of additional user licenses for the Homeless Management Information System (HMIS) (\$25,000); partial funding for a data entry position for each of the contracted Outreach Teams (City of Miami, City of Miami Beach, and the Miami-Dade County Department of Human Services) with matching funds being provided by the outreach providers to allow the outreach teams to both conduct intake services for homeless clients and also to populate and maintain in "real time" the HMIS (\$37,000); prevention services for an additional 72 homeless families a year (from 300 to 372 families) (\$58,000); and first time funding to provide short-term temporary housing for chronically homeless individuals until they can be placed in the applicable program when waiting lists exists (\$50,000). Additionally, the Homeless Trust has received an award for the State Crisis Outplacement Bed program (\$210,000).

## **18. Corrections and Rehabilitation**

An adjustment has been made to the Miami Dade Corrections Department to include \$798,000 in carryover funds related to the Food Service gain sharing agreement made between the department and its employees. The carryover funding, which was inadvertently omitted from the Proposed Budget will be

utilized for training, capital, technology and future unmet budget objectives in accordance with the agreement.

#### **19. Department of Business Development (DBD)**

I am recommending the elimination of all fees associated with the certification of small businesses seeking to do business with Miami-Dade County through the Department of Business Development (DBD). The elimination of certification fees will be consistent with fees charged by other governmental entities in the region and provide an additional incentive for small businesses to certify with the County. DBD will absorb the revenue loss within the department's operating budget (\$45,000).

#### **20. Wellness Center at the Stephen P. Clark Center (SPCC)**

The planned opening of the Fitness Center at the SPCC continues as scheduled. The General Services Administration (GSA) and Park and Recreation Department are working together to ensure that the Center opens on November 1, 2006 and operates effectively. Staff has recommended, and I concur, that the best way to operate the Wellness Center is through the issuance of an operating permit to an experienced operator. As a result, the Park and Recreation and GSA departmental proposed budgets will be adjusted to reflect the fiscal and staffing impacts of this proposed change. The proposed change eliminates an operating expense transfer of \$216,000 from GSA to the Park and Recreation Department and reduces the number of positions in the Park and Recreation Department by three.

#### **21. Housing Finance Authority**

In June 2006, the Housing Finance Authority (HFA) received an overage position for a Clerk 3 bringing the staff total for FY 2006-07 to nine. The position performs routine program-based receptionist work and general office duties related to HFA's single-family and multifamily rental programs. The duties were originally performed by an Outreach Clerical Intern that was participating in the County's employment training program for persons with disabilities. The Intern was hired permanently at the Clerk 3 position. HFA will redirect funds from the anticipated reduction in interest expenses to pay for the position (\$40,000).

#### **22. Seaport**

The FY 2006-07 Proposed Budget included several new rates and increases to tariffs. A Regulatory Recovery Fee for cargo containers (\$2.75 million), a daily Terminal Cost Recovery Fee (\$900,000), and a Commercial Vehicle Inspection Station (CVIS) Fee of \$50 per truck per day (\$1.35 million) were estimated to generate \$5 million in revenue. After further consideration, these fees are not recommended for implementation. Instead, a fee of \$0.64 per each embarked and \$0.64 per each disembarked cruise passenger is proposed (\$2.5 million), and a fee of \$3.57 per twenty-foot equivalent unit (TEU), excluding empties, for both import and export will be implemented (\$2.5 million) to fund facilities and maintenance improvements. The County Attorney's Office is currently reviewing these adjustments and further fee refinements may be required. Adjustments to the Administrative Order 4-4 are attached to Agenda Item F.

Subsequent to the submittal of the FY 2006-07 Proposed Budget, the Seaport Security Officer positions were reclassified resulting in an additional cost of \$680,000 for the FY 2006-07. Additionally, \$656,000 was added in debt service payments due to higher than anticipated interest rate related to the Sunshine State Loan Program. The Seaport will offset the \$1.336 million of additional expenditures by utilizing \$1.14 million of the \$22.5 million Safeco/Dutra dredging litigation settlement and \$195,000 of additional revenue generated by an increase in the scale fee to \$7.50 from \$5.00.

### **23. Community-Based Organizations**

The FY 2006-07 Proposed Budget includes continued funding for the Mom and Pop Grants program (\$1.950 million) and the Discretionary Reserve Funds (\$4.2 million). Attachment F is a revised list that details the FY 2006-07 Proposed Community-based Organizations (CBOs) General Fund Discretionary Reserve funding used to address needs that do not fall neatly into the various competitive solicitation processes in place for CBOs. This list differs from the one submitted to you in July as it reflects the elimination of funding to certain CBOs due to contractual issues and lack of responsiveness. It is recommended that allocations to the Haitian American Foundation, Inc. (\$554,000), Miami's River of Life (\$30,000), Good Samaritans for a Better Life, Inc. (\$10,000), and Veye Yo Community Center (\$35,000 for FY 2004-05, FY 2005-06, and FY 2006-07 for a total of \$105,000) be rescinded. It also reflects funding for the Roxcy Bolton Rape Treatment Center as directed by the Board through Resolution 829-06 and an allocation to the Local Initiative Support Corporation (LISC) to reimburse the organization for services provided to assist the MOVERS organization in 2005 that were subsequently deemed ineligible for reimbursement from CDBG funding. This revised listing does not include funding provided to CBOs through any of the many County-supported competitive processes. As a part of the information that will be submitted to you for the second budget hearing, a complete list of recommended CBO allocations via the various County-funded competitive CBO funding processes that have been finalized by that time will be provided. This is the third and final year of funding for the Alliance for Human Services 2004-07 NOFA cycle (\$17.412 million).

Over the past few years, we have already made progress in standardizing CBO contract requirements. In an effort to streamline the CBO monitoring and performance evaluation processes, I am recommending the creation of a centralized CBO monitoring application. All County departments will be able to access information for every CBO contract awarded by the County, providing financial and performance information to assist in monitoring and future award determinations. Ultimately CBOs would have one location to access contract documents for all type of awards (i.e. Alliance for Human Services Grants, Cultural Affairs, Discretionary Reserve, etc), contract performance reports, reimbursement request forms, and affidavit information. In addition, staff will work closely with all monitoring departments and the Alliance for Human Services to standardize a common monitoring tool that meets the needs of CBOs and the County. Additional resources have been included to complete the development of a technology solution to track clients and contracts in all County social services functions and include CBOs (\$500,000) and two additional contract officer positions (\$111,000) to enhance contract monitoring for the Department of Human Services (two additional positions were already included in the Proposed Budget). We will continue to engage in random audits of CBO contracts as have been done previously. I am tasking the Office of Strategic Business Management with ensuring the technology solution is implemented and any related organizational adjustments are accomplished by the end of FY 2006-07.

The FY 2006-07 Proposed Budget also includes the creation of the County Services Reserve (\$840,000). The County Services Reserve will replace the in-kind services reserve. Attachment G details the application and disbursement process for the use of these funds. In addition, funding for the following events are included as in-kind allocations within departmental line items: Martin Luther King, Jr. Parade and Festivities in Homestead, West Perrine, and Liberty City (\$175,000), Miami Beach Memorial Day Event (\$345,000), Miami Tropical Marathon (\$45,000), and Exponica International (\$60,000). As part of the County's commitment to the Super Bowl 2007 activities departments had included game day in-kind expenses in their proposed budgets. However, additional expenditures are expected for events leading to Super Bowl game day. As a result we may need to provide additional resources to the affected departments during the fiscal year.

Attachments H and I are the reports on Airport and Seaport Promotional Funds required by Administrative Order 7-32.

The budget ordinances authorize the County Manager to execute contracts with CBOs for the funding allocations specifically approved by the Board at the budget hearings. No funding is provided to CBOs until an executed contract is received by the monitoring department.

#### **24. Vizcaya**

The Vizcaya and Museum and Gardens will be allowed to retain \$96,000 that was previously earmarked for the Administrative Reimbursement payment to the General Fund. As County subsidies to the Museum have increased, it makes sense to eliminate this transfer. The Museum has experienced a decline in revenue due to decreases in admissions and facility rentals, due in large part to the active 2005 hurricane season that caused extensive damage to the facility. The added funding will help maintain the current level of service at the Museum.

#### **25. Cost of Living Allowance (COLA) Reserve Distribution**

The FY 2006-07 Proposed Budget included a reserve to fund the anticipated impact of the COLA for General Fund supported departments. The funds were placed in reserve because at the time of printing labor negotiations were not completed. The table below shows the impact to individual departmental budgets.



<b>Wage Adjustment Allocation to Departments</b>			
(Dollars in Thousands)			
<b><u>Department</u></b>	<b><u>CW</u></b>	<b><u>UMSA</u></b>	<b><u>Total</u></b>
Mayor	83	35	118
Board of County Commissioners	319	136	455
County Attorney	529	226	755
County Manager	164	70	234
Corrections & Rehabilitation	7,269	0	7,269
Fire Rescue	346	0	346
Independent Review Panel	17	0	17
Juvenile Services	223	0	223
Medical Examiner	218	0	218
Police	4,158	9,256	13,414
Consumer Services	47	0	47
Historic Preservation	10	0	10
Park & Recreation	1,690	1,070	2,760
Government Information Center	207	6	213
Planning & Zoning	180	238	418
Public Works	761	156	917
Team Metro	217	276	493
Community Action Agency	205	0	205
Community Relations	59	0	59
Countywide Healthcare Planning	29	0	29
Human Services	1,237	0	1,237
International Trade Consortium	29	0	29
Metro-Miami Action Plan	33	0	33
Task Force on Urban Economic Revitalization	17	0	17
Agenda Coordination	23	10	33
Americans with Disabilities Act Coordination	16	7	23
Audit & Management Services	118	51	169
Business Development	161	69	230
Capital Improvements	67	29	96
Commission on Ethics and Public Trust	65	0	65
Communications	123	53	176
Elections	302	0	302
Employee Relations	260	111	371
Enterprise Technology Services	1,534	657	2,191
Fair Employment Practices	22	10	32
Inspector General	135	0	135
Procurement Management	199	85	284
Property Appraisal	712	0	712
Strategic Business Management	153	66	219
<b>Total</b>	<b>\$21,937</b>	<b>\$12,617</b>	<b>\$34,554</b>

## 26. Recommended Fee Adjustments

The Board is reminded that the Self-Supporting Budget Ordinance (Agenda Item F) includes the proposed fee changes that were recommended in the FY 2006-07 Proposed Budget. Fee adjustments include, but are not limited to, increases to the Solid Waste household collection fee; adjustments to Public Works Department Platting Fees; Vizcaya filming fees; miscellaneous Park and Recreation fees, and Aviation landing fees. Fee adjustments are detailed in each departmental narrative included in the FY 2006-07 Proposed Resource Allocation and Multi-Year Capital Plan book, Volume 1.

Additionally, Miami-Dade Fire Rescue (MDFR) and the Miami-Dade Police Department (MDPD) have subsequently updated the fee schedule for contracting of uniformed personnel during their off-duty time. The revised Administrative Orders 7-15 and 7-33 for MDPD and MDFR are included in Agenda Item F.

## **27. Pay Plan**

It is recommended that the Board approve the FY 2006-07 Pay Plan. Language approving the FY 2006-07 Pay Plan is incorporated in the Self-Supporting Budget Ordinance. The Pay Plan contains changes and adjustments that update and clarify Pay Plan language and provisions. It also includes the addition of new classifications, the abolishment of obsolete classifications, and occupational code and title changes. The pay rates reflected in the Pay Plan will be administered in accordance with the provisions of the Living Wage Ordinance 99-44. The Pay Plan incorporates provisions of the collective bargaining agreements and other actions that have been previously approved by the Board.

## **28. Children's Courthouse**

At the July 6, 2006 Board meeting, most Commissioners were enthusiastic about the County's plans to construct a new Children's Courthouse immediately north of the Stephen P. Clark Center. Many commissioners had comments regarding certain aspects of the project that staff has been working diligently to address. Attachment J is a recent letter from Hellmuth, Obata + Kassabaum, Inc. (HOK), the architectural firm that the County has engaged to design the new facility. You will find that many of these comments have already been addressed.

To address the need to include staff from the State Attorney's Office and the Office of the Public Defender, the General Services Administration has worked with HOK to arrive at a preliminary estimate for adding three additional floors of office space. More refinement is necessary, but we believe that \$63 million more is needed to accommodate these additional occupants and complete the facility. A cash flow analysis now shows that this funding will be needed in 2009. Once the project's revised estimates are made final, a complete plan including funding, financing, project timing, and tenants of the building will be brought to the Board.

## **29. Enterprise Resource Planning (ERP) System Project Update**

During FY 2005-06, the County embarked on the first phase of its transition from aged, internal financial, human resource, procurement and budgeting systems to newer ERP technology with more robust functionality. In our implementation of the ERP financial system at Aviation and Water and Sewer, we have experienced post go-live processing issues and staff is currently focused on completing and stabilizing the initial implementation. To ensure project success, we have also scaled back the scope of implementation of the countywide rollout of the base human resource modules. Outside specialized assistance was brought onboard to develop a roadmap to provide direction for any future ERP rollouts across our organization. The roadmap recommends proceeding with ERP in three phases and outlines organizational readiness issues to ensure project success. To enable the County to take advantage of ERP technology to enhance our business operations, we are currently analyzing the results of the roadmap, establishing a management structure and business model to best support further rollouts, as well as establishing a strategy to implement best practice processes as we transition to the new technology. I propose that funding of \$500,000 from the COR be earmarked for outside expertise to assess the implementation of shared services in selected areas across our support functions, and that our Procurement Management and Finance Departments use current resources to begin preparations for implementation. It may be necessary to add resources in the coming fiscal year as we ramp up this

project. I will also be considering the creation of an internal project team to support implementation. Attachment K further describes our progress on this important project.

### **30. Capital Budget Updates**

Since publication of the Proposed Budget in May, updates and corrections to several capital project budgets are recommended. Projects must be included in the annual Capital Budget to be eligible for Board approval through the County's Expedite Ordinance. Technical changes to capital project budgets, such as revisions to project timing, adjustments to revenue sources, and project title changes will be reflected in the final adopted budget.

In the Proposed Budget, I recommended using a portion of the tax roll growth to retire existing debt ahead of schedule to reduce future debt service payments. Subsequently, a number of one-time projects have been identified for funding in FY 2006-07 and two new recurring projects have been identified. At this time, I recommend reducing the allocation for pre-payment of existing debt (\$2.5 million) to fund these projects in the Capital Outlay Reserve (COR).

ETSD has revised the technology estimates for the Radio Frequency Identification Jail Security Pilot Project for the Corrections and Rehabilitation Department. An additional \$375,000 is required, bringing the total capital project cost to \$500,000. The Proposed Operating Budget already includes \$125,000 of operating funds for this project.

The Fire Rescue Department requires an additional \$100,000 from the COR for completion of the customization of the most recently purchased air rescue helicopter. When the Proposed Budget was published in May, the possibility of a funding gap existed, but the amount was not known until the retired air rescue helicopter was sold as surplus. This sale was concluded in August and the need is now known. The Crandon Park Ocean Rescue facility has extensive 40-year recertification repair needs. Since construction of a new facility will begin in FY 2006-07 using existing Building Better Communities (BBC) funding, it is recommended that the operation be moved into temporary modular units until the new facility is complete. These new units were not anticipated in the Proposed Budget (\$400,000 from the COR).

One of the priorities addressed in the Proposed Budget was the ability to put more police officers "on the street." The Proposed Budget includes funding for six Basic Law Enforcement (BLE) classes. This increase in training classes, coupled with the emphasis I am placing on expanding training opportunities to all employees is putting a burden on the MDPD Training Bureau. The Training Bureau facility has never been appropriately resourced; "temporary" structures erected in 1999 currently house the Basic Training Unit. A plan has been developed to construct a steel-framed classroom structure that can accommodate up to seven classrooms and bathroom facilities. I recommend adding \$350,000 to the COR to fund this project.

Funding for planning and design of the interior of the Lightspeed Building is proposed to be provided in the COR (\$100,000). An additional \$190,000 is recommended to be allocated to the COR to fix a scrivener's error and replace a transfer of the same amount that had been indicated from the Cable Television Capital Contribution Fund and \$95,000 for revised debt service payments for financings issued on behalf of the Public Health Trust.

Two newly identified projects require recurring funding, but must be done now. The Correctional Facilities Fire Protection System Improvements project is increasing due to revised estimates on the scope of work required to meet requirements from the Unsafe Structures Board and is thereby proposed to increase by an additional \$7.1 million funded with financing proceeds for a total project cost of \$27

million. This additional financing will require an additional \$567,000 for debt service in the COR in FY 2006-07. The first year interest payment for financing the purchase of the Coast Guard Property adjacent to Metrozoo is funded (\$673,000), but it is anticipated this will be recovered through sale of the property,

The following projects were inadvertently omitted from the Proposed Capital Budget. These projects were included in the internal revenue and expenditure projections, but were not printed in the Proposed Budget due to technical errors. It is recommended that the following projects be added to the Capital Budget.

<b>Project</b>	<b>FY 2006-07 Project Cost</b>
Widen SW 328 Street from SW 152 Avenue to SW 137 Avenue	\$500,000
Design and Construction Administration on Flagler Street from NW 2 Avenue to Biscayne Boulevard	\$500,000
Widen SW 157 Avenue from SW 42 Street to SW 8 Street	\$1,000,000
Pavement Markings Contract	\$650,000
Widen SW 144 Street from the Busway to SW 92 Avenue	\$350,000
Fleet Shop 2 Fire Sprinkler Upgrade	\$60,000
Shop 1 Fuel Storage Tank Replacement	\$500,000
Housing Portal	\$300,000
Health and Human Services Client Tracking System	\$500,000

It is recommended that the following Public Works Department projects be amended in the Proposed Capital Budget to reflect updated project cost estimates which require additional expenditure authority in FY 2006-07.

<b>Project</b>	<b>Proposed FY 2006-07 Project Cost</b>	<b>Revised FY 2006-07 Project Cost</b>	<b>Notes</b>
Rickenbacker Causeway Road Resurfacing and Bike path Improvements - Phase 2	\$1,300,000	\$1,700,000	Revised cost estimates; reprogrammed causeway revenues
Widen NW 74 Street from the Homestead Extension of the Florida Turnpike	\$6,000,000	\$12,700,000	Per agreement with FDOT, project scope has changed
Widen SW 120 Street from 137 Avenue to SW 117 Avenue	\$0	\$100,000	Revised cost estimates

The following Public Works Department projects are recommended to be deleted from the Proposed Capital Budget.

Project	Total Project Cost	Notes
Rickenbacker Causeway Bearcut Bridge Expansion Joint Repair	\$1,000,000	Reprioritization of Causeway system projects
Reconstruction of NW 8 Street from NW 87 Avenue to NW 79 Avenue	\$2,000,000	Will be completed in FY 2005-06
Widen NW 97 Avenue from NW 41 Street to NW 25 Street	\$3,305,000	To be completed by the developer

The following Public Works Department projects are recommended to be added to the Proposed Capital Budget to allocate available Road Impact Fee funding for FY 2006-07.

Project	FY 2006-07 Project Cost	Notes
Intersection Improvements at Coral Way and Anderson Road	\$200,000	Added to the TIP since publication
Intersection Improvements at Segovia Street and Biltmore Way	\$200,000	Added to the TIP since publication
Widen SW 42 Street from SW 149 Avenue to SW 150 Avenue	\$800,000	Added to the TIP since publication

The Seaport is proposing three new projects funded with financing proceeds: Parking Garage Terminal D (\$15 million), extend Terminal Seven by adding a Finger Pier (\$2 million) and Terminal Seven Improvements (\$2 million). Because Parking Garage Terminal D is now proposed to be added to the Capital Budget, the surface parking lot that had been planned for that location is recommended to be deleted from the Proposed Capital Budget (\$1.5 million).

The Transit Department is proposing the addition of a project funded from the Florida Department of Transportation, financing proceeds, and the People's Transportation Plan to install oil-water separators at Metromover Stations (\$8.395 million). This project was included in the internal revenue and expenditure projections for the department. As well, updates are being prepared for the Earlington Heights/Miami Intermodal Center Connector and the North Corridor. These updates will be presented to the Board in the coming months.

The Library System is proposing the addition of three new projects (with total project costs): Miami Lakes Branch Library repairs and renovations (\$355,000) and Miami Springs Branch Library repairs and renovations (\$415,000) funded by reducing the Library Facilities Repair and Maintenance Project by a like amount and Carrfour/Villa Aurora (\$3.05 million) for the construction of a new 12,000 square foot library funded by Library Taxing District dollars. The budget for land acquisition for the Killian Branch Library has been increased to purchase expanded property (\$1.8 million).

The Department of Environmental Resources Management has updated two projects: Drainage Improvements SW/NW 118 Avenue to SW/NW 122 Avenue from NW 6 Street to SW 7 Street (Belen Pump Stations) (\$5 million) and Reserve For High Priority Drainage Projects (\$5.623 million). In addition, the Drainage Cleaning project (\$15.66 million) using FEMA fund was inadvertently omitted from printing in the Proposed Capital Plan.

In November 2005, the contractor for the Miami River dredging project temporarily demobilized due to lower than anticipated funding allocations from the federal government. Looking forward, it is not anticipated that annual federal funding allocations through the Army Corps of Engineers will reach levels sufficient to complete work on the Miami River Project prior to the April 2009 dredging contract expiration. Staff is developing a plan by which the \$26 million federal funding shortfall could be realized in order to finish this project that is currently 40 percent complete. It is hoped that the County, and possibly the other non-Federal funding partners (City of Miami, State of Florida, and FIND), can work together on some viable funding solutions. A preliminary report on the progress of this plan will be presented to the Board in October.

The Water and Sewer Department has updated several of their projects to include revised cost estimates. It is recommended that these projects be amended in the Capital Budget.

<b>Project</b>	<b>FY 2006-07 Proposed Project Cost</b>	<b>FY 2006-07 Revised Project Cost</b>
Central Miami-Dade Wastewater Transmission Mains and Pump Station Improvements	\$350,000	\$1,197,000
North Miami-Dade Water Transmission Main Improvements	\$3,000,000	\$3,400,000
Water Engineering Studies	\$ 2,153,000	\$3,153,000
Water Treatment Plant - Alexander Orr Jr. Expansion	\$3,928,000	\$4,493,000

The Water and Sewer Department is proposing the addition of two projects. The Safe Drinking Water Act Modifications project (\$5.094 million) was inadvertently omitted from the Proposed Budget. The Water Treatment Plant – Floridan Aquifer (\$50 million) was approved by the Board since publication of the plan.

The Job Evaluation project funded in FY 2005-06 and FY 2006-07, will be deferred pending implementation of the ERP. Additional COR funding of \$1 million for the Richmond Perrine Youth Activity Center project was identified in FY 2005-06 through the use of additional interest earnings from the Quality Neighborhood Improvement Program for a total appropriation of \$1.5 million. This project, to complete construction of a Youth Activity Center that will be owned by the County, was allocated CDBG funding but has since been deemed ineligible. It is proposed that Series EE debt from the Criminal Justice General Obligation Bond Program be retired early with excess voted debt ad valorem receipts (\$22.775 million). This will save interest payments in future years and may allow for funding of other priority capital projects.

### **31. Position Adjustments**

In some instances, the above recommendations will adjust the number of positions in the FY 2006-07 Proposed Budget. During the course of the budget development process, I requested that OSBM review the need for long-term and unfunded vacant positions as was done last year. This was a difficult task considering the number of positions in the County and the careful review and impacts of such reductions. The FY 2006-07 Proposed Budget increases the total number of positions in the County by 579 to 30,548. The recommendations being advanced to you require staffing adjustments in departments as summarized below. If the recommendations are approved by the Board, the total position count increase will be reflected in the FY 2006-07 Countywide Table of Organization.

Subsequent to the printing of the Proposed Budget, a small number of positions were moved across departments. The Government Information Center transferred one position and associated funding to ETSD (\$146,000) and the Animal Services Department transferred one position to General Services Administration. In addition, nine positions were inadvertently omitted from the Board of County Commissioner's position count; one position was removed from the Office of the Citizens Independent Transportation Trust (\$107,000); and an overage position was also approved for the Finance Department to expedite the reimbursement process for County hurricane-related expenses. This position is fully reimbursed from FEMA funds. These changes had no impact on the overall funding and or position count; nonetheless those changes too are reflected in the table below.

<u>Department</u>	<u>FY 2006-07 Proposed Budget</u>	<u>Recommended Adjustments</u>	<u>Revised FY 2006-07 Proposal</u>	<u>Purpose</u>
Animal Services	121	(1)	120	Transfer to GSA
Audit and Management Services	52	4	56	Bolster audit and performance
Aviation	1,604	(11)	1,593	Eliminating Vacant Positions
Board of County Commissioners	177	9	186	Correct Omission
Enterprise Technology Services	635	1	636	Transfer from GIC
Finance	352	1	353	Process FEMA Documents
General Services Administration	857	1	858	Transfer from ASD
Government Information Center	173	(1)	172	Transfer to ETSD
Housing Finance Authority	8	1	9	Overage
Human Services	1,054	2	1,056	Contract Monitoring
Miami-Dade Fire Rescue	2,504	37	2,541	Additional Fire Service
Office of Citizens Independent Transportation Trust	11	(1)	10	Eliminating Vacant Position
Office of Strategic Business Management	75	2	77	Bolster audit and performance
Office of the Inspector General	33	5	38	Housing Agency oversight
Park and Recreation	1,275	(3)	1,272	Wellness Center
Public Works	832	66	898	NEAT Teams, Engineering Inspectors
Other County Departments	20,785	-	20,785	
<b>Total</b>	<b>30,548</b>	<b>112</b>	<b>30,660</b>	

## 32. Executive and Mid-Management Training Program

In my May 30, 2006 memorandum to the Board I advised we would be conducting the first component of an executive development program focused on Performance Leadership and delivered locally by Harvard University's John F. Kennedy School of Government. Beginning June 25, 2006, 50 executives, including me, attended the first session of this intense three-and-a-half-day course conducted by Dr. Bob Behn, an expert in the performance leadership field. The course curriculum emphasized producing results, ratcheting up performance, building organizational capabilities and motivating and leading employees. The content was extremely well-received by our executive group and fully aligned with concepts the Board has endorsed in our Result Oriented Government ordinance adopted July 7, 2005.

My FY 2006-07 Proposed Budget recommends funding to continue the Performance Leadership course and engage an outside institution to work with us to develop and deliver a comprehensive multi-year executive and mid-manager development program. An initial \$500,000 in funding will provide for continuation of the Harvard Performance Leadership course, as the cornerstone for the executive component, and the start-up of a full executive and middle management program that will be rolled out over successive years. Upon BCC approval, we intend to engage a third party to work with us to plan, develop and implement other program components under the direction of our Employee Relations Department.

The full executive and mid-manager course curriculum will align with the performance dimensions we are emphasizing in our organization; including leadership, innovation, creativity, strategic vision, customer service, management skills and employee development and recognition. Specific courses may focus on improving customer service, cultivating and managing innovation, enhancing public speaking skills, strategic and business planning, performance management, and evaluating success in attaining results, to name a few key areas. The program will offer courses throughout the year and provide the opportunity for staff to complete segments over a multi-year period.

We will be issuing a competitive solicitation before the end of the calendar year to develop a multi-year partnership with an academic institution to assist us in program development and phased implementation. This will assist us in positioning our management team for current operational challenges, ongoing effective service delivery and the implementation of a seamless succession planning strategy.

Attachments